

Comments on the Draft Request for Proposal (RFP) Number: SOL-112-13-000003

Azerbaijan Trade Linkages and Agribusiness Strengthening Project (ATLAS)

1. I am contacting you regarding the requirement mentioned above. I was just wondering if this was a new requirement or if there is a previous contractor that fulfilled the same or similar requirements. If yes, could you please provide the contractor's name and contract number?

Answer: Similar activities are currently being implemented by the Azerbaijan Competitiveness and Trade (ACT) Project.

Contractor: Sibley International LLC
Telephone: (703) 468-1287

Contract Number: AID-EEM-I-00-07-00003
Task Order Number: AID-112-TO-10-00002

2. In relation to the above Draft Request for Proposal (number SOL-112-13-000003) I would like to inquire about eligibility of potential contractors: can UK entities bid or this opportunity is open to US entities only? Unfortunately I could not find this information in the RFP and will be grateful if you assist to identify where this information is state explicitly.

Answer: Eligible Source and Nationality for the Request for Proposal (RFP) Number: SOL-112-13-000003 is Geographic Code 110 (Independent States of the former Soviet Union) and 937 (the United States, the Recipient Country and Developing Countries). A list of Developing Countries is available at:

<http://transition.usaid.gov/policy/ads/300/310maa.pdf> and doesn't include the United Kingdom (UK). Further guidance on USAID Source and Nationality is available at:

<http://www.gpo.gov/fdsys/pkg/CFR-2012-title22-vol1/pdf/CFR-2012-title22-vol1-part228.pdf>

3. Pages 6-8, Clause C.5, Results Expected for this Contract. This clause lists three project results: *Result 1. Improved quality and quantity of goods produced*; *Result 2. Good agricultural practices implemented*; and *Result 3. Trade and regulatory environment for micro, small, and medium businesses improved*. While these results are interrelated to achieve the overall goal of the project, based on our organization's experience in these sectors, we suggest that USAID consider two separate (yet complimentary) statements of work (SOW) to improve the overall investment climate in Azerbaijan through two projects: one project to target the diversification of the economy through initiatives that assist small and medium-sized agribusinesses and farmers to grow (achieving Results 1 and 2, and IR 1.3); and another tasked with improving the trade regulatory environment by assisting the GOAJ to reduce the barriers to competition and trade that still exist (achieving Result 3 and IR 1.1). This will allow USAID to have increased focus and support in achieving expected results.

Answer: Due to the tight interrelationship between the components and the programmatic benefits of a unified approach, USAID decided to have just one Activity covering the three results. Two separate Statement of Works (SOWs) will complicate contracting and coordination.

4. Page 9, Clause C.6.2, GOAJ Counterparts. This clause states that the Government of Azerbaijan is co-financing the activity.

- a. Please confirm that the award will include the full funding from both sources, i.e. that the GOAJ will provide the funds to the project through USAID.

Answer: Government of Azerbaijan (GOAJ) will provide funds to the Azerbaijan Trade Linkages and Agribusiness Strengthening Project (ATLAS) Activity through USAID. The total estimated costs will be subject to the availability of funds.

- b. If Comment 2(a) written above is not how the funds will be provided and two separate awards will be issued, i.e. one award to the Contractor with partial project funding from USAID and a second award to the Contractor with remaining project funding from the GOAJ:

Answer: USAID will make only one Award.

5. Please confirm that the requirements stated in this RFP will apply only to the USAID-funded portion of the project.

Answer: The requirements in the RFP apply to the full ATLAS Activity (Award) irrespective of the source of funds.

6. Please confirm that USAID and USG rules and regulations, with the exception of Executive Orders, would NOT apply to activities funded by the GOAJ in the separate award conveying the funds from GOAJ to the Awardee.

Answer: USAID/United States Government (USG) rules and regulations apply to the full ATLAS Activity.

7. Please confirm USAID will provide third party mediation in the negotiation of the program goals and outcomes and payment terms.

Answer: The ATLAS Statement of Work (SOW) details (goals and outcomes/results etc.) have been developed with GOAJ before the issuance of the Request for Proposal (RFP). Program goals, outcomes and payment terms are established by USAID in coordination with GOAJ and USAID does not expect the Awardee to negotiate these with GOAJ agencies.

8. Page 18, Clause F.2, Period of Performance. It is our organization's experience that programs relating to the agricultural sector are more effective, generates more sustainable results and is an overall better value for USAID and beneficiaries when the period of performance is longer than three years. We encourage USAID to reevaluate the period of performance for longer durations of time, such as four or five years.

Answer: USAID decided to have one Activity of three years duration. Offerors should also note that ATLAS Activity follows the ACT Project and other projects, and substantial progress has been made in several value chains and some policy regulatory areas. USAID is not starting at ground zero.

9. Page 27, Clause F.8, Authorized Work Week. Premium Overtime for local staff must be in compliance with local labor laws.

Answer: The local labor laws should be followed. Compensation for local staff follows USAID local compensation plan that is based on local labor laws.

10. Page 27, Clause F.8, Authorized Work Week. Independent consultants are more cost effective with a blanket six day work week to reduce non-productive time while in travel status.

Answer: It will depend on the nature of the work. A training session with a Government ministry for example, would only take place Monday-Friday.

11. Page 49, Clause H.19, Leave and Holidays. This clause may conflict with an Offeror's personnel policy for local staff and should require compliance with local labor laws.

Answer: Offeror's personnel policy for locally-hired staff should comply with local labor laws.

12. Page 93, Clause L.7.2.1 AID Form 1420-17 – Contractor Employee Biographical Data Sheet. This clause requires CCN salary statements to be in US dollars. This is contrary to the AIDAR requirement that local compensation be paid in the currency of the country. Furthermore, presenting local staff salaries as the US dollar equivalent based on local currency allows for increased budget accuracy.

Answer: Local staff salaries should be paid in local currency per AIDAR. However, like all other cost elements they should be reported in U.S. Dollar equivalents for accounting and pipeline management.

13. Offeror appreciates the opportunity to comment on the draft RFP for USAID's Azerbaijan Trade Linkages and Agribusiness Strengthening (ATLAS) Project. We are pleased to learn of USAID's design for a comprehensive program to support the development of agriculture and promote diversification and competitiveness in Azerbaijan. Based on our experience in Azerbaijan, we believe the expected results and activities are consistent with Azerbaijan's most pressing needs and challenges, and we look forward to responding to the final RFP.

Offeror sees the government of Azerbaijan's formal engagement in ATLAS as a great opportunity to create synergies and develop a holistic approach to the country's economic development. It will be helpful to have **additional details at the RFP stage regarding the expected roles and responsibilities of USAID and the government of Azerbaijan in implementation.** Would USAID consider sharing any document(s) that establishes a framework for the government of Azerbaijan's anticipated contribution as an attachment to the final RFP?

Answer: USAID will be responsible for managing and monitoring all aspects of the Contract and overall implementation. The Contractor will report to the designated Contracting Officer Representative (COR). Any negotiations with the GOAJ on scope/budget/results framework, etc. will be conducted by USAID as needed. USAID will involve/coordinate with GOAJ certain aspects of implementation (Work Plan development, monitoring visits etc.). However, the Contractor will be free to work with GOAJ agencies at the national and regional levels in implementation and planning technical interventions. Standard USAID policies relating to reporting will be followed.

14. Offeror searched for the current USAID Azerbaijan Competitiveness and Trade (ACT) Project's reports and technical documents on the USAID Development Experience Clearinghouse and found only the Year 2 annual report. Would USAID consider furnishing ACT's technical reports and deliverables, such as value chain assessments, which are not currently available on the Development Experience Clearinghouse?

Answer: ACT Project reports and other reports are available on the Development Experience Clearinghouse (DEC) for reference.

15. Component 1 and Component 2's results seem to overlap; therefore, recommends disaggregating components based on the vertical value chain: production, value-addition, and enabling environment;

Answer: Value chains have both vertical and horizontal aspects to them, more like networks. So, the results 1 and 2 will remain the same. Certain overlap is normal and unavoidable.

16. Recommends clarity on the project's Geographic Code with regards to procuring agricultural commodities and related products;

Answer: The source of all commodities shall be Codes 937 and 110. Procurements of agricultural commodities, motor vehicles and pharmaceuticals must also comply with the special procurement rules in 22 CFR 228.19 of this part. Recipients and contractors are prohibited from engaging suppliers of commodities in an authorized country to import commodities from a country outside of the authorized principal geographic codes for the purposes of circumventing the requirements of this rule. Any violation of this prohibition will result in the disallowance by USAID of the cost of the procurement of the subject commodity.

22 CFR 228.19

- a) Certain agricultural commodities and products thereof must be procured in the United States if the domestic price is less than parity, unless the commodity cannot reasonably be procured in the United States in fulfillment of the objectives of a particular assistance program under which such commodity procurement is to be financed. (22 U.S.C. 2354). USAID maintains a list of restricted agricultural commodities and related policies, which is available in USAID's Automated Directives System, ADS 312 at:

<http://inside.usaid.gov/ADS/300/312.pdf>

17. Recommends further elaboration on the expected collaboration between Grants under USAID Contract (GUC) and the Government of Azerbaijan.

Answer: The Contractor will implement the Grants under Contract (GUC) as per USAID rules and regulations. There is no expected specific collaboration with the GOAJ on the grants. USAID will provide guidance from time to time on the role of GOAJ on grants. Offeror is free to provide innovative approach to involving GOAJ in this area, without compromising objectivity.

18. It appears that with the exception of one quarterly report, none of the ACT project deliverables are available on the Development Experience Clearinghouse. We suggest that USAID make these important background documents available, either online or as attachments to the RFP.

Answer: See Answer 14.

19. The draft RFP describes USAID's past investments in Azerbaijan's agriculture sector. Given this substantial track record, we suggest that USAID also discuss the lessons the Agency has learned from these efforts, in terms of which approaches have succeeded and which have failed, in engaging Azerbaijan's farmers; agribusinesses; and government agencies.

Answer: See Answer 14.

The Offeror could get an idea from the past project reports and ACT Reports as to the degree of successes from different approaches followed. There have been a large number of value-chain projects in the last 5-7 years funded by USAID. The Offeror may contact USAID/PPL and E3 Bureau for any documentation of lessons learned in the Value Chain projects.

20. In reading the draft SOW, it is somewhat unclear whether ATLAS will have a broad approach to economic policy and trade issues under Result 3, or whether these activities will be focused more specifically on agricultural policy and agricultural trade – such as the CODEX and OIE. Further clarification regarding the focus of Result 3 would be helpful as we prepare our ATLAS bid.

Answer: The expected approach to trade and regulatory environment is broader than just agriculture. It concerns regulations that mainly affect the country's WTO accession process.

21. The draft RFP's Result 1 has a strong commercial focus on agribusinesses, export markets, and FDI. From our own project experience in the Caucasus region, this approach works best when it focuses on the creation of lasting business relationships through private sector leverage in the form of GDAs, PPPs, and Alliances. USAID could reflect these lasting linkages in the ATLAS indicators.

Answer: A sample, non-exhaustive, list of illustrative indicators is provided, but Offerors are encouraged to provide other indicators as suitable to the approach they propose.

22. The draft RFP's Result 2 talks about significant training programs for farmers in partnership with public extension providers and other agricultural projects. It would be helpful if USAID clarifies whether the trainees are the same agribusinesses that the project will engage under Result 1, or whether Result 2 is targeted primarily for small-holder farmers who will create linkages to the agribusinesses from Result 1.

Answer: Farmers and agribusinesses trainings are not disaggregated by result. Local trainers could come from participating agribusinesses, local consultants and extension/advisory service providers and occasionally expatriates—depending on the nature of training/subject matter.

23. The current ACT project works in several value chains as indicated in draft RFP. The draft RFP's scope section does not specifically call for the value chains, however, the table of all deliverables includes a baseline survey of agricultural value chains and value chain action plans. As we prepare our bid, it would be useful to understand whether the Agency believes that the ACT activities in the value chains have been effective and the Offerors should therefore continue to provide such support given USAID's investment in these value chains to date, in addition to introducing other criteria for selecting new value chains (such as gender impact, impact on MSMEs, export potential etc.).

Answer: The ACT Project evaluation will not take place until about the end of the FY2013, so USAID will not have the evaluation findings relating to ACT Project's effectiveness. Having said that, the winning Offeror will be able to incorporate the findings of the evaluation into its Work Plans as appropriate. Suffice it to say that there is much that needs to be done and progress made already needs to be consolidated. It is up to the Offerors to identify and justify moving to the new value chains or justify continuing with the current value chains.

24. Our assessments of the Caucasus trade and transit corridor found significant bottlenecks to trade that include limited availability of services and unpredictable pricing at the Baku port and Caspian Sea ferry service. Recognizing that there is a broader USAID Caucasus interest to promote this corridor to develop the trade flows across the region, we recommend that Result 3 include some activities related to supporting the Azeri government and transport & logistics sector in their regional coordination activities that have currently been facilitated through USAID in Georgia and with other donors, such as UNECE.

Answer: Transport and logistics can be part of value chain development. ATLAS Activity should not duplicate regional efforts already underway in Georgia/UNECE. But, Offerors are encouraged to be creative in their proposals and discuss how ATLAS Activity will address transport and logistics issues, if the Offeror can demonstrate that this will help achieve the desired results, and then the Offeror should suggest this in the proposal.

25. For staffing, the draft RFP talks about international and CCN staff. Given the increased capacity of professionals elsewhere in the Eurasia region, we suggest that USAID consider the inclusion of TCN experts to augment the international/CCN teams of staff, and bring with them relevant experiences from their countries.

Answer: The Offeror may propose Third Country Nationals (TCNs) as part of Key Personnel, as appropriate.

26. For CCNs, we recommend that USAID include the latest FSN local compensation plan as part of the RFP.

Answer: The local compensation plan is attached as Attachment 2.

27. Horticulture is a major sub-sector with competitive advantage in Azerbaijan. In our experience implementing similar programs in other countries, a three-year project horizon prevents the project from implementing activities that could potentially transform the horticulture sector over the long-term, such as introduction of new varieties. In some cases, agricultural best practices also take 3+ years to create impact for producers. Over the short-term, there may be less visible or tangible incentives for producers to adopt such practices, thereby reducing the overall potential of the impact. We recommend that the Agency consider a five-year program, or at least a three-year program with a two-year option to ensure a continuous momentum of the activities.

Answer: USAID decided to have just one Activity lasting three years based on current USAID resources availability and the range of past interventions.

28. The draft RFP evaluation criteria refer to 10 points for the Plan for Capacity Building and Brief Sustainability Assessment. The draft deliverables table does not contain this Assessment. We recommend that the final RFP clarifies whether this is a continuous activity to be implemented throughout the project duration, or whether this is a one-time start-up project activity and Assessment Report that should be developed.

Answer: Efforts for capacity building and ensuring sustainability will last throughout the ATLAS Activity. The proposed plan for capacity building and sustainability should discuss what the Offeror is proposing to do in this area. The depth/details of discussion are up to the Offeror taking into consideration the weightage given in the proposal evaluation.

Development of a detailed plan for capacity building and sustainability should be a part of first year Work Plan—and thus is effectively included in the deliverables.

29. The reorganization of the activity going forward makes sense, putting the value chain work first and combining the trade and non-trade policy work into one component. The greatest opportunities for progress in Azerbaijan are with the private sector, not the government so that should be number one priority. Also, given the overlap in trade and non-trade areas, and the uncertainty as to which will be most promising over the next three years, it makes sense to pool these resources within one component.

We suggest considering further what the objective is with this new project. If it is to focus specifically on agricultural value chains, then the current definition makes sense. If however it is to focus on economic development in the regions outside Baku, which are mostly rural, we then would suggest permitting the project to work in non-agricultural value chains as well. In addition to agricultural value chains, opportunities in the regions might also exist for some small-scale manufacturing (such as furniture), construction and construction materials, and a range of services.

Answer: The ATLAS Activity has two main components. One is Trade Policy. The other is Agricultural Development and particularly the development of agricultural value chains. If there are activities that support the proposed value chains that aren't agrarian in nature, the Offeror should propose this with justification as to how this will help achieve the desired results. Small scale manufacturing and construction are outside the scope of ATLAS Activity.

30. Many recent USAID projects in other countries have included a component on workforce development and vocational education system strengthening. AID might consider initiating such a component in ATLAS. (The extension services assistance to some extent is very relevant to this). While such assistance in other countries can take many forms, including working at the policy level with ministries of education and employment, with public employment services agencies, and with the private sector, in Azerbaijan work with the private sector would be most promising if USAID were to incorporate such a focus—cooperation with private training/education providers and with private companies with job openings.

Answer: The ATLAS Activity will not work in education reform or workforce development. Offerors are encouraged to be creative in their proposals and can suggest how to incorporate agriculture-relevant vocational education into the ATLAS Activity, as that may impact on the end results.

31. One of the 3 key personnel is "Policy Reform Manager". Does this mean Trade or Enabling Environment?

Answer: Policy reform includes trade-business/agricultural enabling environment.

32. Given there have been several USAID-funded projects that focus on improving the enabling environment for WTO accession in the recent past, it would be helpful if USAID could give bidders an indication of level of importance (in LOE or budgetary terms) of Result 3, as articulated in the draft RFP.

Answer: While a precise LOE/budget for each result is not required, it is expected that most of the effort for the ATLAS Activity will go towards Results 1 and 2 (value chains development), perhaps up to 70%.

33. The RFP is silent regarding the specific sub-sector value chains it would like to see as a focus of ATLAS. Past USAID-supported projects have focused on livestock, dairy, hazelnuts, apples, aquaculture, and other high-value sub-sectors. It would be helpful if USAID could suggest target subsectors, or state openly that bidders are responsible for identifying them. If the latter is preferred, USAID should provide some criteria it would like to see regarding prioritization of the sub-sectors it would most favor supporting.

Answer: It is up to the Offerors to identify the value chains to work with (existing or new ones). However, appropriate analyses and justification should be provided for the choice of value chains proposed.

34. It would be helpful if the RFP articulates whether the Mission perceives agricultural inputs as a viable value chain in and of itself, or if support to the development of the agricultural inputs industry/sub-sector should be integrated within whichever agricultural value chains are proposed.

Answer: It is up to the Offerors to identify the value chains to work in. The Offerors can propose availability and access to agricultural inputs as a value chain development activity in and of itself or as part of overall value chains development.

35. Please ensure that previous subcontractors have uploaded their quarterly and annual reports to the DEC to help ensure that all bidders have equal access to information on previous USAID-funded projects in Azerbaijan and provide links or access to relevant project reports along with or prior to RFP release.

Answer: See Answer 14.

36. The RFP cites “IR 1.1. Improved economic governance in legislative and regulatory areas” a result contributing to overall improved investment climate in Azerbaijan. This is a difficult result to measure and can be measured in many ways. It would be helpful if USAID provided specific indicators under this IR to be measured, to ensure that bidders are directly responsive to what is needed.

Answer: A sample, non-exhaustive, list of illustrative indicators is provided, but the Offerors are encouraged to provide other indicators suitable to the approach, interventions and the results they expect to accomplish.

37. Under Result 2 of the draft RFP, “increase in number of extension workers trained” is cited as one of the illustrative indicators. Please clarify whether USAID is referring to public, private or a combination of both types of extension service. In addition, it would be helpful if USAID can give more instruction regarding which public and private sector entities it wishes to see at ATLAS partners/beneficiaries and the extent to which support should be allocated to each.

Answer: This refers to both public and private extension services provided by agri-businesses and consultant companies and input dealers. In the proposals, the Offerors should suggest which entities ATLAS Activity should work with as well as the type of support to be provided.

38. The RFP indicates that ATLAS Activity will be co-financed by the GOAJ. If possible, it would be helpful to know the amount of this co-financed funding, whether the GOAJ portion of the funding is already available, in negotiation, or more details regarding the status of this contribution. If an MOU exists between the GOAJ and USAID, it would be helpful if bidders can be made aware of this, and its specific content.

Answer: The Memorandum of Understanding (MOU) between USAID and GOAJ is expected to be signed soon. Total costs (noted elsewhere) for ATLAS Activity includes the co-financing amount.

39. The RFP cites several GOAJ counterpart organizations with the primary one being the Ministry of Economic Development (MOED) and the last mentioned being the Ministry of Agriculture (MOA). It would be helpful to bidders to have more information regarding which entities the project will be reporting to, collaborating with, and the design of the co-financing agreement so that we can design our management plan and technical approach accordingly.

Answer: USAID coordinates and liaises directly with Ministry of Economic Development (MOED). At the same time, the Contractor will need to work/collaborate with all relevant GOAJ ministries as needed, especially Ministry of Agriculture (MOA) and its regional counterparts to achieve the lasting results.

40. The deliverables part of Section F also states that “the fourth Quarterly Performance report must include an annual summary of no more than 30 pages” but goes on to say that the “annual report must be submitted in lieu of the fourth Quarterly Performance Report within 20 days after end of each Contract year to the designated COR.” This is confusing and should be clarified so bidders know what exactly is expected in terms of the fourth Q and/or Annual Reports.

Answer: There is no need for a separate fourth Quarterly Report. Only one Annual Report is needed that incorporates activities from the fourth Quarter.